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CONFIDENTIAL

EXCISE (SILVER)

SECRETARY'S MORPING SUMMARY FOR JUNE 2, 1903

1. CHINA: STALEMATE CONTINUES

TWO WEEKS AFTER DECLARING MARTIAL LAW IN BEIJING,
HARD-LINERS REMAIN UNABLE TO RESOLVE THE LEADERSHIP CRISIS
OR TO REMOVE STUDENTS FROM TIANANMEN SQUARE. IN ADDITION
TO THE IMMEDIATE PROBLEMS OF IMPOSING ORDER AND CLARIFYING
THE LINES OF AUTHORITY, LEADERS ALSO FACE THE QUESTION OF
A SUCCESSOR TO DENG XIAOPING.

THE PARTY REPORTEDLY WILL HOLD A CENTRAL COMMITTEE PLENUM ON JUNE 5. RUMORS OF A PLENUM HAVE CIRCULATED SINCE MID-MAY, BUT SO FAR THE LEADERSHIP HAS ONLY HELD "ENLARGED" MEETINGS OF THE POLITBURO, AN EXTRA-LEGAL FORUM DENG AND OTHER ELDERS CAN PACK WITH THEIR SUPPORTERS.

Bi AS

DEPARTMENT OF

OFFICIALS HAVE ORDERED WORKERS AND FARMERS TO PARTICIPATE
IN RALLIES IN THE BEIJING SUBURBS TO SHOW SUPPORT FOR
PREMIER LI PENG AND THE DECLARATION OF MARTIAL LAW. THE
BEIJING CITY GOVERNMENT YESTERDAY EXPANDED PRESS
RESTRICTIONS, PROHIBITING COVERAGE OF STUDENT
DEMONSTRATORS AND REQUIRING THAT ALL OTHER REPORTING
RECEIVE PRIOR APPROVAL. STUDENTS ATTEMPTED TO STAGE A
COUNTER-DEMONSTRATION AT ONE PRO-REGIME RALLY YESTERDAY,
CLASHING WITH ORGANIZERS. STUDENTS HAVE ALSO SAID THEY
EXPECTED THE "GODDESS OF DEMOCRACY" STATUE IN TIANANMEN

SECRET

SQUARE TO ANGER TOP LEADERS AND PROMPT A PESPONSE. THE STUDENTS MAY HOPE AN OVERREACTION BY AUTHORITIES WILL BREATHE NEW LIFE INTO THEIR FLAGGING MOVEMENT.
[CONFIDENTIAL]

2. CHINA/ISRAEL:

CHINA AND

BIAS

ISRAEL ARE GRADUALLY EXPANDING THEIR PUBLIC
RELATIONSHIP. TEL AVIV LOOKS FORWARD TO THE
ESTABLISHMENT OF DIPLOMATIC RELATIONS; BEIJING, ATTUNED
TO ARAB SENSITIVITIES, WILL MODULATE THE PACE OF
IMPROVING RELATIONS TO PROGRESS IN THE MIDDLE EAST PEACE
PROCESS.

FOLLOWING THE ARAB, SOVIET LEAD

CHINA CONTINUES TO LIMIT ITS POLITICAL TIES TO ISRAEL TO CONFORM WITH ARAB INTERESTS AND ITS PERCEPTIONS OF MOSCOW'S INITIATIVES IN THE MIDDLE EAST. IT IS UNLIKELY CHINA WILL MOVE ANY FASTER THAN THE MODERATE ARAB STATES TO GRANT ISRAEL FULL DIPLOMATIC RECOGNITION. BUT CHINA HAS IN RECENT MONTHS EXPANDED PRIVATE AND CULTURAL TIES TO ISRAEL AND UPGRADED DIPLOMATIC CONTACTS.

ACTIVITY

BIAS.

SECRET

BIAS

AS IF TO UNDERSCORE THAT POINT, CHINESE JOURNALISTS
VISITED ISRAEL FOR THE FIRST TIME ON MAY 12--INTERVIEWING
PERES AND FOREIGN MINISTER ARENS--EVEN AS THE FIRST
ISRAELI JOURNALIST WAS GIVEN OFFICIAL CREDENTIALS TO
OPERATE OUT OF BEIJING.

AN AGREEMENT IN MARCH ESTABLISHED A CHINESE TOURISM
OFFICE IN TEL AVIV AND AN ISRAELI SCIENCE OFFICE IN
BEIJING. IN APRIL KNESSET MEMBER YAIR TZABAN, CHAIRMAN
OF THE UNITED WORKERS PARTY [MAPAM], MADE AN OFFICIAL
VISIT TO CHINA, THE SECOND TRIP EVER TO THE PRC BY A
REPRESENTATIVE OF A ZIONIST PARTY.

BIAS

SECRET

BIAS

NEW PHASE IN SINO-ISRAELI RELATIONS

POLITICAL, CULTURAL, AND ECONOMIC TIES BETWEEN ISRAEL AND

CHINA SEEM INCREASINGLY LIKELY

BUT SENSITIVITY TO ARAB

BIAS

INTERESTS WILL ASSURE THAT BEIJING CAREFULLY MODULATES
ITS PUBLIC RELATIONSHIP WITH TEL AVIV. PROGRESS ON A
MIDDLE EASTERN SETTLEMENT WILL DETERMINE WHEN THE CHINESE
WILL BE PREPARED TO TAKE THE STEP OF NORMALIZING
RELATIONS WITH ISRAEL. [SECRET/NOFORN/NOCONTRACT]